

U.S. Officials Only

CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY INFORMATION REPORT

25X1A

COUNTRY Far East

SUBJECT The Overseas Chinese

PLACE ACQUIRED
(BY SOURCE) - - -

DATE ACQUIRED
(BY SOURCE)

25X1A

DATE (OF INFO.)

RESPONSIVE TO	
1	2
CO NO.	
OO/C NO.	
ORR NO.	
DAS NO.	
OCI NO.	

DATE DISTR 15 March 1954

NO. OF PAGES 3

NO. OF ENCLS.

SUPP. TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1X

1. The Overseas Chinese Older Generation

The older generation who normally would have property in China, a house to retire to, and would be planning to return there in old age, have had their property in China confiscated. They do not now send money there (unless a small amount permitted by the country where they now live and then only in hopes it may help some relative in distress), and have abandoned all hope of return. Although their sentiments have not changed, they now simply consider themselves cut off without any material ties to China, and interest themselves only in the place where they now live.

2. The Overseas Chinese Younger Generation

a. The younger generation is basically divided into two groups:

- (1) Those with money go abroad for an education, planning to return to their overseas home to carry on the family enterprises. That is their first interest.
- (2) The ambitious poor are drawn to Communist China for an education, for there they can have education at no cost, be supported in the process and be guaranteed jobs when they complete their courses. They feel that they will have power and opportunities denied them overseas.

b. There are mixed motives here - sometimes a real interest in communism among the youth because it seems to promise them status denied them anywhere else, sometimes an interest in communism only as a means to an education. For not only do white colonial administrations deny them equality of status no matter what their financial position may be, but also native administrations and peoples deny them equality, and the Overseas Chinese finds himself more and more in the position of a minority member of a society which can discriminate

U.S. Officials Only

CONFIDENTIAL

SEE LAST PAGE FOR SUBJECT & AREA CODES

DISTRIBUTION	STATE	EV	ARMY	X	NAVY	X	AIR	X	FBI								
--------------	-------	----	------	---	------	---	-----	---	-----	--	--	--	--	--	--	--	--

This report is for the use within the USA of the intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

CONFIDENTIAL/US OFFICIALS ONLY X1A

- 2 -

against him and does because it resents and fears his economic power.

- c. There is one very clear issue here in the minds of the realistic young Overseas Chinese. He knows that the only chance he has for demanding and getting equality of status is to do so as the citizen of a strong country; therefore, his need criterion of Communist China is single - China's national strength. If the CCP /Chinese Communist Party/ can keep control of a unified China, defy the UN on the battlefield, and have the backing of powerful Soviet Russia, then he is all for Communist China.
- d. All Overseas Chinese, none of them really politically minded at heart but only interested in survival, will submit to and collaborate with whatever government is in power in the place where they live. All of them, except those older ones who have lost property in China, are interested not in the politics or policies per se of mainland China but in whether she is strong. Their desire goes beyond the first fact that they are interested in China's strength as protection for themselves in varying degrees, and very strong among the intellectuals is the feeling of national pride and patriotism. China is their real homeland after all. At least 70 per cent of the intellectuals will judge Communist China solely by whether she is strong in the world of nations.

3. Their Attitude Toward Formosa

Their attitude toward Formosa is completely consistent with their attitude toward Communist China. It is wholly realistic. In the past the KMT /Kuo Min Tung/ did nothing for the Overseas Chinese, and its only interest in them took the form of requests for money. Today what can the KMT do for them? It still asks for money. So their sole criterion for supporting the KMT is its ability to return and reconquer the mainland. They know the KMT cannot do this. Ideals and political principles are negligible factors. The real issue in their minds is power.

4. Overseas Chinese Attitude Toward the US

The Overseas Chinese businessmen and thinkers certainly, and probably the overseas communities as a whole, are very much aware of US strength and general aims. Two things underlie their general attitude toward the US:

- a. The fact that the US came to the assistance of the Koreans, and
- b. The significance of US aid in various forms elsewhere in Asia.

So, although they have deep-rooted memories of oppression and denial of status by Western colonial powers, they are generally favorably disposed toward the US. Again, this attitude is not only on the realistic basis of US strength, but also, very importantly, on what the US has actually done. They are watching policies and actions in Asia. The US, not Formosa, is the symbol of Western free ideals and strength - strength first, and they hope for specific US interest in the whole Overseas Chinese problem. In a sense it is accurate to say that in their minds the test of strength in Asia is between US and Communist China, although they may not put it so specifically.

5. The Most Crucial Issue

At the present time [January 1954], the most crucial issue is not what Communist China and the US do generally, but the position of the Overseas Chinese in their own overseas communities. It is the deep, and in many places growing, cleavage between the Chinese and the native populations. It is caused by the economic position (power of complete monopoly in some places, for instance agricultural credit in Indonesia, and near control in many sectors of the economy in other places) which the Chinese have built up over the years. Indonesia is denying export-import licenses to Chinese. Thailand bars them from 14 different trade activities. This current tendency to strip the Overseas Chinese of economic power has three direct effects:

- a. It hurts the local economy, for the Chinese element is not a hair or a

CONFIDENTIAL/US OFFICIALS ONLY

CONFIDENTIAL/US OFFICIALS ONLY

-3-

fingernail which can be plucked out with only minor effect; to cut it off is to sever a limb.

- b. It threatens the security of the many Chinese communities, completely disrupting them.
- c. Because as a policy it is associated with local governments supported by the US and the West, governments linked to democratic concepts very often, and it is undemocratic and discriminatory in the eyes of the Chinese, it shakes their belief in democracy.

6. What Can the US Do?

It is obvious that it is difficult and dangerous, if not impossible, in the context of Asian national pride and the total force of nationalist drives everywhere in Asia, for the US to exert direct influence. However, here are some steps the US can take which would have great influence.

- a. Support the efforts now under way under enlightened Chinese leadership to build Chinese universities in Asia. Given even a small start, they will grow; they will draw students; they can draw on Chinese intellectuals everywhere for teaching staffs; they will be supported by the overseas communities. The US can do this with money. The US has power to speed this program in two key spots, in Singapore and in the Philippines. The US can urge the UK to cease raising obstacles to the project now started in Singapore, to do this even before the process of giving Singapore self-rule is completed. The US has enormous influence with its friend Magsaysay.
- b. Native Asian governments, while resenting direct suggestions, pay great heed to world comment and criticism from writers of repute. If the world press, scholarly magazines, dignified comment from the US, from the UK, and from Europe were to point out the folly and undemocratic nature of drastic economic discrimination against the Overseas Chinese, it would have a real effect on the current trend to unwise policies. It would not take great effort to do this.
- c. The US can invite Asian leaders to the US for travel and observation. This is a procedure which can and should be expanded greatly from its present degree of implementation.

- end -

LIBRARY SUBJECT & AREA CODES

117.503	15
890.02	15(IL)
890.02	IL(15)
890.5	IL(CL)
890.4	IL
890.6	IL(EL)
890.5	15(CL)(IL)
890.6	15(EL)(IL)
136.4	T(IL)
136.4	5L(IL)

CONFIDENTIAL/US OFFICIALS ONLY